



Department of Justice

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JUSTICE DEPARTMENT URGES FCC TO APPROVE DIRECT BROADCASTING SATELLITE DEAL

WASHINGTON, D.C. -- The Department of Justice today filed comments with the Federal Communications Commission (FCC) to support a proposed transaction that would allow direct broadcast satellite (DBS) provider EchoStar Communications Corp. to acquire the license to use a valuable high-power DBS orbital location. The license is presently controlled by MCI Communications Corp. and The News Corporation Ltd.

The Department's filing, based largely on the evidence uncovered during the Primestar litigation, emphasizes that the proposed transaction does not pose a risk to competition in the distribution of multichannel video programming. Rather, the transaction will greatly increase Echostar's capacity to transmit video programming and will enhance its ability to compete aggressively and effectively against other distributors of multichannel video programming, including the cable companies that dominate these distribution markets.

In May, 1998 the Department filed a civil antitrust suit to prevent MCI and News Corp. from transferring these satellite assets to Primestar, Inc., a satellite television provider owned and controlled by five of the largest cable companies in the U.S. Faced with the Department's opposition, the parties abandoned the deal, a decision that ultimately made it possible for MCI and News Corp. to offer the assets to EchoStar.

Prompt approval of this application by the Commission will provide important competitive benefits to the millions of households that purchase multichannel video programming services.

Today's filing is available on the Department of Justice website at www.usdoj.gov/atr.

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